
Introduced by Senator Walters

February 11, 2014

An act to amend Section 22950 of the Education Code, relating to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 984, as introduced, Walters. State teachers' retirement law.

The Teachers' Retirement Law (TRL) creates the Defined Benefit Program of the State Teachers' Retirement Plan for the provision of benefits to members of the plan, which is administered by the Teachers' Retirement Board. The Defined Benefit Program is funded by employer and employee contributions as well as investment returns and state appropriations. Employee and employer contributions are deposited in the Teachers' Retirement Fund, which is continuously appropriated.

This bill would make a nonsubstantive change to TRL provisions prescribing employer contributions and their deposit.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22950 of the Education Code is amended
2 to read:
3 22950. (a) Employers shall contribute monthly to the system
4 8 percent of the creditable compensation upon which members'
5 contributions under this part are based.
6 (b) From the contributions required under subdivision (a), there
7 shall be deposited in the Teachers' Retirement Fund an amount,
8 determined by the board, that is not less than the amount,

1 determined in an actuarial valuation of the Defined Benefit
2 Program pursuant to Section 22311.5, necessary to finance the
3 liabilities associated with the benefits of the Defined Benefit
4 Program over the funding period adopted by the board, after ~~taking~~
5 ~~into account~~ *accounting for* the contributions made pursuant to
6 Sections 22901, 22951, and 22955.

7 (c) The amount of contributions required under subdivision (a)
8 that is not deposited in the Teachers' Retirement Fund pursuant
9 to subdivision (b) shall be deposited directly into the Teachers'
10 Health Benefits Fund, as established in Section 25930, and shall
11 not be deposited into or transferred from the Teachers' Retirement
12 Fund.

13 (d) (1) Notwithstanding subdivisions (b) and (c), there may be
14 deposited into the Teachers' Retirement Program Development
15 Fund, as established in Section 22307.5, from the contributions
16 required under subdivision (a), an amount determined by the board,
17 not to exceed the limit specified in paragraph (2).

18 (2) The balance of deposits into the Teachers' Retirement
19 Program Development Fund, minus the subsequent transfer of
20 funds, with interest, into the Teachers' Retirement Fund pursuant
21 to subdivision (e) of Section 22307.5, shall not exceed 0.01 percent
22 of the total of the creditable compensation of the fiscal year ending
23 in the immediately preceding calendar year upon which member's
24 contributions to the Defined Benefit Program are based.

25 (3) The deposits described in this subdivision shall not be
26 deposited into, or transferred from, the Teachers' Retirement Fund.